

Date: October 21, 2015
**Subj: 2016 Issuer Guidance: Optional Small Group Quarterly
Medical and Dental Rate Revisions**



This is plan year 2016 issuer guidance for submitting optional medical and dental quarterly rate revisions. As a result of the PACE Act modifying the definition of small group and the October 1 announcement of the 2014 risk corridor proration, DIFS will permit revisions to 2nd quarter rates for 2016. DIFS will also accept rate change requests for the 3rd and/or 4th quarter as has been done in the past. The timelines, requirements and relevant guidance for submitting revisions to small group rates are as follows:

Filing Timelines:

- **Revision of 2nd Quarter Small Group Rates – Due December 17, 2015**

Issuers wishing to revise their 2nd quarter small group rates must request the 2016 binder be reopened by DIFS and submit a new rate filing no later than December 17, 2015. If a rate increase is being requested for any medical products, issuers must also submit a HIOS filing by December 17.

- **Revision of 3rd and/or 4th Quarter Small Group Rates – Due March 18, 2016**

Issuers wishing to revise their 3rd and/or 4th quarter small group rates must request the 2016 binder be reopened by DIFS and submit a new rate filing no later than March 18, 2016. If a rate increase is being requested for any medical products, issuers must also submit a HIOS filing by March 18.

****NOTE** – As in prior years DIFS will not provide a separate filing window for revisions to 4th quarter rates due to timing conflicts with the 2017 annual filing. Issuers wishing to revise 4th quarter rates *only* should submit their revisions by March 18, 2016.

Filing Requirements:

- Issuers must submit new rate filings in SERFF following the Plan Year 2016 Bulletins (see below for links). If applicable form changes are needed, please submit those simultaneously. New benefit designs will not be permitted.
- Filings must include rate revisions for subsequent quarters, adjusted only for trend. For example, 2nd quarter filings must include revised 3rd and 4th quarter rates adjusted only for trend from the revised 2nd quarter rates.
- Issuers should follow the current URR Instructions in submitting a HIOS filing, if required. If the proposed increase for any medical product is 10% or higher, a Part II Written Description Justifying the Rate Increase is required.
- Federal templates required for quarterly rate filings:
 - o **Medical:** Rates, Business Rules, Part I Unified Rate Review, Part II Written Description Justifying the Rate Increase (if applicable), Part III Actuarial Memorandum.
 - o **Dental:** Rates, Business Rules
 - o These templates must be uploaded to both the rate filing and the binder.
 - o The Rates Template must include all 4 quarters of rates, not just the quarters being revised.

Links to Relevant Guidance:

- DIFS Bulletin 2015-07-INS (Medical plans)
http://www.michigan.gov/documents/difs/Bulletin_2015-07-INS_483438_7.pdf

- DIFS Bulletin 2015-08-INS (Dental plans)
http://www.michigan.gov/documents/difs/Bulletin_2015-08-INS_483439_7.pdf
- 2016 Unified Rate Review (URR) Instructions
<https://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/Downloads/2016-Unified-Rate-Review-Instructions-20150222-Final.pdf>